GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:185
ANSWERED ON:20.11.2000
DECLINE IN VALUE OF SHARES
AJAY CHAKRABORTY

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the acceleration of reforms in the telecom sector has resulted in the crash of over 50 percent in the value of shares of VSNL and MTNL, the two largest PSUs in long distance telephony during the last six months; and

(b) if so, the details thereof and the Government`s reaction thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) The details are furnished in the enclosed Annexure in respect of VSNL. In respect of MTNL, the information is being collected and will be laid on the Table of the House.

ANNEXURE

Vide reply to Part(b) of the Lok Sabha Unstarred Question No. 185 for 20/11/2000

(A) Details about VSNL

VSNL share price has come down more than 50% during the last six months. The downward price movement is attributed largely to two factors: firstly because of decline in overall sensex and secondly because of certain announcements by Govt. on premature withdrawal of VSNL`s monopoly on International telephony including cable connectivity. The VSNL price movement between April and October 2000 is given in Table below.

	31st March 2000		28th April 2000		30th October 2000	
	Price (Rs)	Sensex (Rs)	Price (Rs)	Sensex (Rs)	Price	Sensex
BSE	1840.00	5001.28	1330.00	4657.55	211.55 (Ex-Bonus)	3689.43
NSE	1852.50	1528.45	1325.05	1406.55	629.70 (Cum-Bonus)	1167.15
GDR	US $ 26.775		US $ 19.000		US $ 7.500	